

BUSINESS KNOWLEDGE INC.

BUSINESS STRATEGIC PLAN

“Any plan is better than no plan”



Better Knowledge, Better Business, Better Future
BUSINESS KNOWLEDGE INC.

Business Strategic Plan
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WHAT IS A BUSINESS STRATEGIC PLAN?

- **Businesses are complex systems that require strategy and vision to achieve their goals and objectives. Objectives achievement is driven by flawless execution through means of coordinating and controlling all business activities.**
- **A business strategic plan is meant to capture all of the above in an action plan that will integrate main business areas such as Marketing, Finance, Operations and Human Resources.**



BUSINESS STRATEGIC PLAN

- Executive Summary (Company Strategy)
- Business Overview (Our business)
- Marketing Plan (Sales and Marketing)
- Financial Plan (Past and Future Money)
- Operating Plan (Operations Management)
- Human Resources Plan (People Management)
- Action Plan
- Appendix



BUSINESS STRATEGIC PLAN

Executive Summary

- Although at the beginning of the document should be the last one written
- About what the business is going to achieve
- Snapshot of the present status, ongoing business and future steps
- Should present the business, identify strategy, assets, competencies, target market and financial needs



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Business Overview

- Objective evaluation of business internal context and external environment
- Political, economic, social, and technical (PEST) analysis and business impact evaluation
- Business size up analysis including the economy, the industry and the company position relative to competition, substitute products or services, suppliers, new entrants and buyers (Porter's five forces);



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Marketing Plan (Sales and Marketing)

- **Market Analysis – In which markets does the business compete**
- **Porter's Five Forces: Competition; Substitute Products or Services; Suppliers; New Entrants; Customers (buyers)**
- **Market Segmentation – On what markets do we want to promote and sale**
- **Value Proposition – Why are we better than next available offer**
- **Advertising & Promotion – Make the business known and promote product**
- **Pricing & Distribution -Go to market strategy**
- **Customer Service Policy – Post-sales customer satisfaction**



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Financial Plan (Finance)

- Should include the present status of the business and future planning
- Performance indicators analysis: profitability, resource management, liquidity and leverage, investments (if any), pay of dividends
- Basic tools in evaluating the business present and its future capabilities:
 - Income Statement (past three years)
 - Cash Flow (past three years)
 - Balance Sheet (past three years)
 - Financial Ratios



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Operating Plan (Operations Management)

- Present and future business operations requirements
- How are the operations structured: Incoming Logistics, Purchasing, Manufacturing, Maintenance, Shipping / Receiving, After Market Support;
- Business position analysis: accessibility (location), nature of property (owned / rented), close to transportation means (airports, railways, ports, major highways)
- Status of equipment and technology: old, new, re-furbished, requiring up-grade
- Environment and policies in place



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Human Resources Plan (People Management)

- **Key Employees – Who has the key knowledge for business success**
- **Organizational Structure – Should align with product and financial structure**
- **Organizational Needs – Requires adjustment to product market demand**
- **Employee Development – Key activity for retaining competitive advantage**



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Action Plan - General Short and Long Term Plan to Implement Business Strategy

- Short Term Plan (90 days)
 - Immediate actions to prepare business for achieving long term objectives
- Long Term Plan (6 months – 5 years)
 - Tactical execution of strategic vision structured by phase or key issues
 - Should clearly identify priorities and sequence of execution together with metrics measuring progress
 - Should differentiate between objectives and the actions taken to achieve them.



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Appendix

- Should contain relevant documents as applicable to each paragraph of the Business Strategic Plan
- Includes company's financial performance, such as the income statement, balance sheet and cash flow historical data and projected ones (pro-forma)
- Industry, company and management preferences analysis
- Market analysis
- Organizational structure reference files
- Manufacturing processes



BUSINESS STRATEGIC PLAN

References

- Mary M. Crossan, Michael J. Rouse, Joseph N. Fry and J. Peter Killing
Seventh Edition, *Strategic Analysis and Action*, Toronto, Canada, Pearson Prentice Hall 2009
- Philip Kotler, Kevin Lane Keller, Fourth Edition, *A Framework for Marketing Management*, Pearson Prentice Hall, Upper Saddle River, New Jersey, 2009
- Jean-Louis Schaan, *Global Strategy Course*, Richard Ivey School of Business, London, Ontario, Canada, 2010.



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Q&A



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